

NCUA LETTER TO CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314**

DATE: May 2008

LETTER NO.: 08-CU-11

TO: Federally Insured Credit Unions

SUBJ: NCUA Website Enhancements – Fraud Information Center

Dear Board of Directors:

This letter is to inform you of enhancements to the NCUA website for the purpose of providing a centralized location for NCUA fraud related issuances, information on reporting fraud, and links to other anti-fraud resources.

We have seen a significant amount of media coverage of new fraudulent schemes, as well as new variations of well-known schemes. The Federal Trade Commission, which compiles complaint data it receives with data from organizations such as the Federal Bureau of Investigation, U.S. Secret Service, Better Business Bureaus, Internet Crime Complaint Center, National Association of Attorneys General, and the Social Security Administration, reported a 20 percent increase in fraud complaints filed in 2007. Of those complaints, 32 percent were related to identity theft, including credit card fraud and bank fraud. The perpetrators of these frauds receive their financial gains most often by credit card, wire transfer, debits from a bank account, or by check, according to those complainants who reported the payment method.¹ While the methods the fraudsters use change over time, there are a very finite number of fund sources. Unfortunately, those sources sometimes involve a share or loan account at a credit union.

It is important for the credit union community and the general public to be informed of the methods of fraud in order to work together to detect, prevent, and reduce these schemes. In that effort, the NCUA website will be enhanced to include the following:

- A prominently placed link on our homepage to the new, “Fraud Information Center;”
- Links to other sources of information on common types of fraud;

¹ Fraud data obtained from the Federal Trade Commission’s report on, “Consumer Fraud and Identity Theft Complaint Data, January-December 2007.” In 2007, 12 percent of complainants reported the method of payment.

- Links to other federal agencies to file complaints with depending on the type of fraud; and
- A webpage listing all NCUA issuances related to fraud.

I encourage you to remain vigilant in your efforts to educate credit union staff, members, and the general public regarding fraud so that we may all work together to help combat this pervasive issue. We will continue to reassess our efforts in this regard as we go forward, and I encourage you to do the same.

Sincerely,

/s/

JoAnn Johnson
Chairman